University of Memphis Board of Trustees – Conflicts of Interest Policy

The Board of Trustees ("Trustees") of The University of Memphis serve the interests of the state of Tennessee and its citizens, and have a duty to avoid activities and situations that, either actually or potentially, put personal interests ahead of the professional obligations that they owe to the University. The Purpose of this policy is to provide general principles to guide the actions of the Trustees, and offer illustrations of activities which could potentially constitute a conflict of interest.

I. Policy

It is unlawful for any Trustee, or the Trustee’s “immediate family 1,” to be financially interested in any contract or transaction affecting the interests of the University, or to procure, or be a party in any way to procuring the appointment of any relative to any position of financial trust or profit connected with the University. A violation of the related law shall subject any offending Trustee to removal by the Governor or the Board 2.

It is the policy of the University that Trustees avoid external commitments which significantly interfere with their duties to the University. Trustees shall avoid situations where his or her self-interest diverges from the interest of the University.

II. Examples of Conflicts of Interests

In accordance with the principles stated above, the following is a non-exclusive list of situations that would be considered prohibited conflicts of interests:

- When a Trustee or immediate family member has a direct or indirect financial interest 3 in a contract or transaction involving the University.
  - Ex., University procures goods or services from an entity in which a Trustee (or his/her immediate family) serves as a board member, a consultant, or holds an office or management position.
  - Ex., A company co-owned by a Trustee bids as a subcontractor on any contract with the University.

- When a Trustee or immediate family member obtains a personal or financial gain from any University contract or transaction.

- When a Trustee uses his or her University position to obtain, or assists in obtaining for a third party, an unfair advantage or improper gain in any University contract or transaction.

- Inappropriate use of Tennessee state-owned resources. Trustees may not make significant use of University-owned facilities, equipment, materials or other resources not otherwise available to the public, except for University business, without prior disclosure and approval.

- A Trustee solicits or accepts gifts, gratuities, benefits, or favors of monetary value from a person or an entity in return for influencing an employee in the discharge of his or her University-related responsibilities, OR while being in a position to obtain favored treatment/unfair advantage for that person or entity.

1 “Immediate family” means spouse, dependent children or stepchildren, or relatives related by blood or marriage.

2 See TCA §49-8-203(g).

3 A Trustees mere ownership of less than a controlling interest in stock of a large, publicly-traded company would not necessarily rise to the level of a conflict of interest under this policy.
III. Disclosure Requirements

Trustees are required to file financial disclosure forms within thirty (30) days from the date the Trustee’s appointment becomes effective, and annually by the 31st of January each year thereafter. The Financial Interest Disclosure shall be filed with the Board Secretary. Amended disclosure statements must be filed whenever reported conditions change because of the termination or acquisition of interests for which disclosure is required. The Secretary of the Board shall monitor such statements and report any conflicts perceived to the Trustee involved and to the Board. The Disclosure shall contain an acknowledgment that the Trustee will abide by the Board’s Code of Ethics.

Effective Date/Revisions: March 17, 2017